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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

PAID UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE A	GREEMENT is made	Ilils 2	day of	Augus	<u>لــــــــ</u>	2008, by and between
Cg/VIN	Hardin	90 d W	Fe ON	etig	Hardin	
hereinabove named a 1. In consider	as Lessee, but all othe	er provisions (includin is in band pald and	re, Suite 1870 D g the completion	allas Texas of blank spac	<mark>75201,</mark> as Lessee. as) were prepared j	as Lessor, All printed portions of this lease were prepared by the party ointly by Lessor and Lessee. grants, leases and lets exclusively to Lessee the following
1/6/ ACR	ES,OF LAND, M	ORE OR LESS	BEING LOT	s) 4		, BLOCK
OUT OF THE FULL IVE	RYON SOV 388	Hhenst _, PAGE	TARRANT CO	DUNTY, TE	XAS. ACCOR	ADDITION, AN ADDITION TO THE CITY OF DING TO THAT CERTAIN PLAT RECORDED IRDS OF TARRANT COUNTY, TEXAS.
substances produced commercial gases, as land now or hereaftel Lessor agrees to exe	n or olherwise), for U in association thems well as hydrocarbor rowned by Lessor wi cute at Lessee's requi	he purpose of exploi ewith (Including geon gases. In addition nich are contiguous c est any additional or	ing for, developin physical/seismic to the above-deson adjacent to the supplemental Inst	ng, producing operations). cribed leased above-descrit ruments for a	and marketing oil The term "gas" e premises, this lead ped leased premise more complete or s	any interests therein which Lessor may hereafter acquire by and gas, along with all hydrocarbon and non hydrocarbon a used herein includes helium, carbon dioxide and other se also covers accretions and any small strips or parcets of as, and, in consideration of the aforementioned cash bonus, accurate description of the land so covered. For the purpose deemed correct, whether actually more or less.
as long thereafter as otherwise maintained	in effect oursuant to t	slances covered her he provisions bereot	eby are produced	in paying qu	antities from the lea	used premises or from lands pooled therewith or this lease is
5. Royallles or separated at Lessee' Lessor at the wellheed line wellheed market prevailing price) for he for a control of the production, severance the same or nearest processee shall have the no such price then proceeding on hydrau be deemed to be proceeding to the form is not being being sold by Lessor's credit in the while the well or wells is being sold by Less following cessation of terminate this fease. 4. All shut-in the Lessor's deposition draft and such paymed address known to Lespayment hereunder, in the Lessor's deposition of raft and such paymed address remain in the province of the lesse or lands popursuant to the province of the primal operations reasonably no cessation of more there is production in Lessee shall drill such to (a) develop the lessee the primal to the lessee shall drill such to (a) develop the lessee the	oil, gas and other stasses separator facilities, and or to Lessor's credit price then prevailing production of similar conditions of the same to preceding date as the sed premises or lands the sed premises or lands ducing in paying quating sold by Lessee, the depository designates are shull-in or produce are shull-in or produce from another well such operations or produce the see from another well such operations or produce the constitute provided for in Paragraph of the see of t	instances produced in royally shall be Lat the oil purchaser in the same field (or grade and gravity; %) of the same field (or grade and gravity; %) of the same field, then in the near date on which Lesses spooled therewith are, but such well or we nititles for the purpose en Lessee shall pay delow, on or before stillon there from is no or wells on the lease production. Lessee's rethis lease shall be production. Lessee's request, deliver to the deposite or or to the delow from the same or to the divertion of the action of an innences operations for the action of an innences operations for restore production days, and if any such the leased premises of the leased premises of ormations then capa	and saved hereun with the commence in the commence in the prevailing and a commence its expanse of either shown in the commence its expanse of either shutter of maintaining the commence is expanse of either shutter of maintaining the commence is expanse of either shutter of maintaining the commence of changes or large of changes or large of changes in the commence of changes in the completion of the component of the component in the depository should be seen a proper expanse or large or mot in paying governmental or reworking an expanse or lands producing the completions of the component in the control of the component in the control of the component in the control of the	ch price then luding casing and by Lessee delivering, play wellhead in there is such producing to a producing the lesse. If it is lesse,	prevailing in the state of the addings and a from the sale this rocessing or other market price paid for a prevailing price) ereunder; and (c) if all or gas or other state on there from is not a period of 90 cter acre then coven and thereafter on a that if this lease is erewith, no shut-in royally shall rende the said land. All payman a stamped envelope the succeeded by strument naming at the of producing an addington and the event this for drilling an addington and the such dry hole of the said in force but aim in force so long uction of oil or gas of the lease of producing in producing the completion of easonably prudent antities on the lease easonably prudent intities on the lease of the producing the completion of the completion of the lease of the producing the lease of	Lessor as follows: (a) For oil and other fiquid hydrocarbons (b) of such production, to be delivered at Lesses's option to hall have the continuing right to purchase such production at same field, then in the nearest field in which there is such a oil other substances covered hereby, the royalty shall be preof, less a proportionate part of ad valorem taxes and wise marketing such gas or other substances, provided that or production of similar quality in the same field (or if there is pursuant to comparable purchase contracts entered into on at the end of the primary term or any time thereafter one or abstances covered hereby in paying quantities or such wells theing sold by Lessee, such well or wells shall nevertheless onsecutive days such well or wells are shut-in or production or before each anniversary of the end of said 90-day period is otherwise being maintained by operations, or if production royalty shall be due until the end of the 90-day period next in Lesson is a successor, which shall tents or tenders may be made in currency, or by check or by ope addressed to the depository or to the Lesson at the tast another institution, or for any reason fail or refuse to accept nother institution, or for any reason fail or refuse to accept nother institution as depository agent to receive payments. I aying quantities (hereinafter called "dry hole") on the leased es from any cause, including a revision of unit boundaries is lease is not otherwise being maintained in force it shall differ institution as depository agent to receive payments. I cause is then engaged in drilling, reworking or any other as any one or more of such operations are prosecuted with or other substances covered hereby, as long thereafter as a well capable of producting in paying quantities hereunder, or other substances covered hereby, as long thereafter as a greater would drill under the same or similar circumstances at premises or lands pouled therewith, or (b) to protect the There shall be no covenant to drill exploratory wells or any
depths or zones, and proper to do so in ord unit formed by such pholizontal completion completion to conform of the foregoing, the prescribed, "oil well" riest or more per based unipment; and the tecomponent thereof. Production, drilling or reworking operations net acreage covered Lessee. Pooling in ounit formed hereunde prescribed or permitted leased premises is in the adjusted according be a dijusted according be adjusted according to the premises is in the adjusted according to the premises is in the adjusted according to the properties of the premises is in the adjusted according to the premises is in the adjusted according to the properties of the properties of the properties of the premises is in the adjusted according to the properties of the properti	I have the right but not as to any or all subtractions are to prudently developed for an oil well shall not exceed 640 a to any well spacing terms "oil well with an irret, based on 24-hours are "horizontal compion exercising its poolist exercising its	of the obligation to postances covered by its pop or operate the least which is not a horizo acres plus a maximulor density pattern the passent shall have to initial gas-oit ratio of its production test coolellon" means an oil ong rights hereunder, as anywhere on a unues, except that the pluded in the unit beshall not exhaust Lentraction or both, ell lat authority having it frecord a written der from the unit by virtuin the production in paying hereunder, and a production in paying production in paying it production in paying in production in paying it production in paying it production in paying in production in paying its work with the production in paying its paying its production in paying its paying its production in paying its payin	this lease, either itsel premises, white meanings present it may be prescribe the meanings present in which the meanings present in which the Lessee shall file it which includes roduction on which the tolder or after the tolder or after itself its which includes roduction on which its which includes roduction on which itself its which includes roduction or after itself i	before or after the control of the c	in the commencem millar pooling author of 80 acres plus a rivovided that a large of by any governmedicable law or the charrel and 'gas withing conditions using component of the growilten declaration of the leased privally is calculated and the unit, but only r, and Leasee shall ment of production y productive acrearunt and stating thron of unit production permanent cessaliperment of cessalipermanent cessaliperm	est therein with any other lands or interests, as to any or all ent of production, whenever Lessee deems it necessary or vity exists with respect to such other lands or interests. The maximum acreage tolerance of 10%, and for a gas well or a runit may be formed for an oil well or gas well or horizontal ental authority having jurisdiction to do so. For the purpose appropriate governmental authority, or, it no definition is so ell" means a well with an initial gas-oil ratio of 100,000 cubic or glandard lease separator facilities or equivalent testing gross completion interval in facilities or equivalent testing less completion interval in the reservoir exceeds the vertical describing the unit and stating the effective date of pooling, emises shall be treated as if it were production, drilling or shall be that proportion of the total unit production which the to the extent such proportion of unit production is sold by have the recurring right but not the obligation to revise any. In order to conform to the well spacing or density pattern ge determination made by such governmental authority. In selfective date of revision. To the extent any portion of the on on which royatiles are payable hereunder shall thereafter on thereof, Lessee may terminate the unit by filing of record a cross-conveyance of interests.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lesson's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee's usual form of division order. In the event of the death of an aperson of the death of an aperson of the satisfaction of the parties of the death of an aperson of the parties of the parties of the death of an aperson of the parties of the parties of the death of an aperson of the parties of the par hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to

pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced

in accordance with the net acreage interest retained hereunder.

in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material,

production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, rlot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable

time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

operations

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE)

Calvin Hardin	By: C. Matiz Hardin
By: Calvin Handin	By: O. Matiz Hardin

ACKNOWLEDGMENT STATE OF COUNTY OF 2008 This instrument was acknowledged before me on the day of UIN

JARWIN N. SCOTT Notary Public, State of Tex Notary Public, State of Commission Expires Notary's name (printed): October 31, 2010

Tex45 STATE OF COUNTY OF 1900 9W1 AUSUSF This instrument was acknowledged before me on the 2008. day of wetig HOIdIN

> JARVAN N. BOOTS votary Public, State of Texas My Commission Expires October \$1, 2010

Metary Public, State of Notary's name (printed): Notary's commission expires:



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

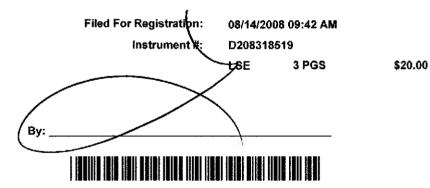
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



D208318519

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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